

Memorandum

Date: January 16, 2004
Telephone: (916) 651-8835

To: John L. Geesman, Presiding Member
Arthur H. Rosenfeld, Ph.D., Associate Member

From: California Energy Commission -- Bob Eller, Project Manager
1516 Ninth Street
Sacramento, CA 95814-5512

Subject: **ROSEVILLE ENERGY PARK ISSUE IDENTIFICATION REPORT (03-AFC-1)**

Attached is staff's Issue Identification Report for the Roseville Energy Park. This report serves as a preliminary scoping document which identifies the issues the Energy Commission staff believes will require careful attention and consideration during the Energy Commission's review. We will discuss the issues identified in this report at the Committee's Informational Hearing and Site Visit scheduled for January 28, 2004.

Pursuant to the Committee's request, this report also provides a proposed schedule for the review of the Roseville Energy Park pursuant to a 12-month Application for Certification (AFC) review.

Attachments

cc: Proof of Service
AFC Agency List

ISSUE IDENTIFICATION REPORT

ROSEVILLE ENERGY PARK

(03-AFC-1)

Table of Contents

PROJECT DESCRIPTION.....	3
AIR QUALITY	5
LAND USE.....	5
SCHEDULING ISSUES	6

ROSEVILLE ENERGY PARK ISSUE IDENTIFICATION REPORT

This report has been prepared by the California Energy Commission staff to inform the Committee and all interested parties of the potential issues that have been identified in the case thus far. Issues are identified as a result of discussions with federal, state, and local agencies and our review of the Roseville Energy Park Application for Certification (AFC), Docket Number 03-AFC-1. This Issue Identification Report contains a project description, summary of potentially significant environmental issues, and a discussion of the proposed project schedule. Staff will address the status of potential issues and progress towards their resolution in periodic status reports to the Committee.

PROJECT DESCRIPTION

On October 30, 2003, The City of Roseville's electric department, doing business as Roseville Electric (RE) filed an Application for Certification (AFC), for its proposed Roseville Energy Park (REP) with the California Energy Commission seeking approval to construct and operate a 120 to 125 megawatt (MW) natural gas-fired, combined-cycle electric generating facility. As proposed, the REP will have the ability to peak-fire to 160 MW during summer design conditions and will be owned and operated by RE.

The proposed project would be located on a 12-acre site within a 40-acre parcel owned by the City of Roseville. The project site is adjacent to and north of the Pleasant Grove Waste Water Treatment Plant (PGWWTP) and is zoned Public/Quasi-Public. Surrounding land uses currently include ranching (agricultural grazing) and rural residential. The area to the south, east, and west of the project site, however, is proposed for residential, industrial, and commercial development under the West Roseville Specific Plan (WRSP). The WRSP is a plan for annexation and development of 3,162 acres and could receive final action by the City of Roseville in February of 2004. Build-out of the WRSP will take place over approximately 10 years.

The proposed generating facility would consist of either two General Electric Frame LM 6000 or two Alstom GTX 100 combustion turbine-generators (CTGs), a single condensing steam turbine generator (STG), a deaerating surface condenser, a four-cell mechanical draft cooling tower; and associated support equipment. The CTGs are equipped with evaporative cooling and either water-injected combustors for the LM 6000 or dry low NO_x combustors for the GTX 100, as well as heat recovery steam generators (HRSGs) with duct burners. The emission reduction system includes a selective catalytic reduction (SCR) unit to control nitrogen oxides (NO_x) and an oxidation catalyst to control carbon monoxide (CO). An on-site switchyard, rated at 60 kV would deliver the plant's power directly to the grid through a double-circuit 60 kV transmission line located adjacent to the project site. The project also includes approximately 6 miles of new 10- to 16-inch diameter underground natural gas pipeline to convey gas from Pacific Gas & Electric Company's (PG&E) gas distribution Line 123 at Baseline Road to the project site.

The project includes 50 feet of new pipeline that would supply tertiary treated recycled waste-water from the City of Roseville's PGWWTP, adjacent and to the north of the project site, for use as cooling tower makeup water, firewater, service water, and process makeup water.

Cooling tower blowdown will be treated through a zero liquid discharge (ZLD) treatment system. As a result, no process wastewater will be discharged from the plant. A relatively small amount of salt cake will be produced by the ZLD system for off-site disposal at an approved landfill.

POTENTIAL MAJOR ISSUES

This portion of the report contains a discussion of the potential issues the Energy Commission staff has identified to date. This report may not include all the significant issues that may arise during the case, as discovery is not yet complete, and other parties have not had an opportunity to identify their concerns. The identification of the potential issues contained in this report is based on our judgement of whether any of the following circumstances will occur:

- Significant impacts may result from the project that may be difficult to mitigate;
- The project as proposed may not comply with applicable laws, ordinances, regulations or standards (LORS);
- Conflicts may arise between the parties about the appropriate findings or conditions of certification for the Commission decision that could result in a delay in the schedule.

The following table lists all the subject areas evaluated and notes those areas where critical or significant issues have been identified and if data requests have been requested. Even though an area is identified as having no significant issues, it does not mean that an issue will not arise related to the subject area. For example, disagreements regarding the appropriate conditions of certification may arise between staff and applicant that will require discussion at workshops or even subsequent hearings. However, we do not currently believe such an issue will have an impact on the case schedule or that resolution will be difficult.

Major Issue	Data Req.	Subject Area		Major Issue	Data Req.	Subject Area
Yes	Yes	Air Quality		No	No	Public Health
No	Yes	Biological Resources		No	Yes	Socioeconomics
No	Yes	Cultural Resources		No	No	Traffic & Transportation
No	Yes	Efficiency/Reliability		No	No	Transmission Safety
No	No	Facility Design		No	Yes	Transmission Sys. Eng.
No	No	Geological Resources		No	Yes	Visual Resources
No	Yes	Hazardous Material		No	Yes	Waste Management
Yes	Yes	Land Use		No	Yes	Water & Soil Resources
No	Yes	Noise		No	No	Worker Safety

AIR QUALITY

Roseville Electric proposes to mitigate increased emissions of air contaminants and comply with the Placer County Air Pollution Control District (District) Rule 502 by securing emission reduction credits (ERC) from the District ERC bank. ERC availability has been a critical issue with power projects proposed for this region, and the applicant has not yet secured a majority of the required offsets. If ERCs proposed for use by the applicant (as noted below) are ultimately disallowed based on the concerns of other agencies, the amount of ERCs remaining in the district bank may be insufficient to offset project impacts.

The applicant may be considering ERCs that could be subject to considerable review and comment by the air oversight agencies, which are the California Air Resources Board (CARB) and the United States Environmental Protection Agency (USEPA). Staff has discussed with these agencies, in general terms, the type of ERCs proposed and has been informed of potential agency concerns. Specific ERCs have not been discussed at this time due to confidentiality concerns.

Staff is currently working with all parties, to the extent that confidentiality is not compromised, in order to resolve these issues. However, resolution may not be achieved prior to the District issuing the Preliminary Determination of Compliance (PDOC). Thus, the issuance of either the PDOC or the Final DOC (FDOC) could be delayed. Staff will continue to work with these agencies and will inform the Committee of its progress via our regular status reports.

LAND USE

The Roseville Joint Union High School District, Center Joint Unified School District and Roseville City School District will serve forecasted school needs in the area of the proposed project. The West Roseville Specific Plan/Land Use Plan dated March 14, 2003, indicates that within the area of the proposed power plant, six schools (four elementary schools, a middle school, and a high school) are in the preliminary or conceptual planning phases by the school districts. The public and school district personnel raised concerns during the initial application phase of the Enron Energy Facility regarding hazardous material deliveries, the potential for natural gas ruptures, and air quality/public health issues.

Although the proposed power plant conforms with the site's zoning, these concerns, in turn, raise the potential for broad land use compatibility issues. In the data request phase of the current application, staff has requested additional information regarding any recent correspondence or discussions with the public or school districts on the proximity of planned schools. On December 19, 2003, the California Department of Education (CDE) issued a school site field review to the school districts regarding proposed school site locations in the area of the proposed power plant site. The review indicated potential safety issues which needed to be addressed before final approval of the school sites could be granted. The issues addressed by CDE were in the area of traffic, power line locations, and hazardous pipeline (gas pipeline) locations. To date,

the CDE is not aware of any discussions between the City and the school districts as to these issues. Staff will continue to work with the parties in order to assist in the resolution of this issue and will inform the Committee of its progress via our regular status reports.

SCHEDULING ISSUES

Staff has begun its analyses of the environmental and engineering aspects of the applicant's proposed project and is currently in the discovery phase.

Following is staff's proposed 12-month schedule for key events of the project. The ability of staff to be expeditious in meeting this schedule will depend on: Roseville Electric's timely response to staff's data requests; the filing of the Determination of Compliance from the Air District; determinations by other local, state and federal agencies; and other factors not yet known.

ENERGY COMMISSION STAFF'S PROPOSED

SCHEDULE FOR ROSEVILLE ENERGY PARK (03-AFC-1)

(2003) Day -48	October 30	Application Filed
(2003) Day 0	December 17	Energy Commission Finds Project Data Adequate
(2004) Day 21	January 7	Staff Files Data Requests
Day 30	January 16	Staff Files Issue Identification Report
Day 42	January 28	Information Hearing & Site Visit
Day 51	February 6	Applicant Files Data Responses (Round 1)
Day 62	February 17	Workshop on Issues & Data Responses
Day 75	March 1	Staff Files Data Requests Round 2 (If Necessary)
Day 105	March 31	Applicant Provides Data Responses (Round 2)
Day 120	April 15	Local, State, Federal Agencies File Determinations
Day 124	April 19	2nd Workshop On Issues, & Data Responses
Day 149	May 14	Preliminary Staff Assessment Issued
Day 180	June 14	Local, State, Federal Agencies File Final Determinations.
Day 170-180	Mid June	Preliminary Staff Assessment Workshop
Day 210	July 14	Final Staff Assessment
Day 234-245	Early August	Evidentiary Hearings Begin
Day 364	December 15	Final Decision